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With Consumer Electronics

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LIBERTY JOINS COMCAST IN BID FOR QVC: Liberty Media has joined Comcast in new bid of $44 per share all-cash offer for QVC stock. Liberty owns or controls 23.3% of QVC, Comcast 20.2%. Offer was presented July 21 to QVC, which said simply it "had been advised of an amended offer. QVC will review the offer and continue to explore alternatives in order to maximize shareholder value." Comcast had surprised industry week ago with unsolicited $2.2-billion bid for QVC, which ended CBS attempt at friendly takeover of QVC (TVD July 18 p1).

New offer also is valued at $2.2 billion but has added feature of being all cash. "This is a terrific deal for us," Comcast Senior Vp-Treas. John Alohin said. "It solves the issue of having to come up with additional cash... It achieves our objective of having a programming company."

With entry of TCI-controlled Liberty, TCI CEO John Malone has come down on side of Comcast in fight for QVC. There was much speculation in N.Y. circles that he was unhappy with Comcast for upsetting CBS deal. Liberty was formed by TCI several years ago to hold TCI programming properties, spun off to stockholders, now being reacquired. Liberty, headed by former TCI executive John Sie, has interests in

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Encore, BET, Family Channel, Starz!, Home Shopping Club, Court TV, X*PRESS and cable sports networks, in addition to QVC.

Comcast's earlier offer for QVC had been $37 per share cash, plus new series of 7.5% preferred stock convertible to common at $21 per share. If deal goes through, Comcast will own 57% of QVC, Liberty 43%, with Comcast managing partner. Analyst said Comcast and Liberty will have to come up with only about $1.3 billion cash to close deal; Liberty's current QVC holdings are worth about $450 million, Comcast's $350 million. Bidders said they would pay other shareholders with about $1 billion from QVC's treasury. Current QVC CEO Barry Diller, who isn't expected to remain in that post, stands to make about $100 million from deal.

Meanwhile, it was reported that Turner Bcstg. board is expected to consider making bid for CBS at its July 29 meeting in St. Petersburg, Russia, in connection with Turner-sponsored Goodwill Games. However, no decision is expected since board members Malone and Time Warner CEO Gerald Levin aren't expected to attend.

TISCH--CBS NOT ON MARKET: "CBS is not for sale," Chmn.-Pres.-CEO Laurence Tisch stressed half-dozen times in his first-ever appearance before semiannual TV critics tour in L.A. July 19. "Let's make it abundantly clear. It was not for sale when we met with the affiliates [TVD June 6 p1]. It's not for sale today." Tisch was responding to repeated reports in press since breakup of CBS deal to acquire QVC and install QVC head Barry Diller as CBS CEO (TVD July 14 p1).

Speculation that CBS is for sale, with Disney and TCI mentioned most often as possible suitors, is "100% wrong," Tisch said. "How do these analysts know what I'm thinking? They don't know what they're talking about... For 8 years, I've been hearing about Disney and CBS in the press. Don't you people ever get tired of the same old story?"

CBS acquisition of QVC "was a unique situation and we thought it made sense," Tisch said. "Now somebody else [Comcast] has come in and bid $44 a share for QVC, [which proves] it would have made economic sense for us" since CBS bid was about $32 per QVC share. "There were no loggerheads as such between Barry Diller and myself. I have great respect for Barry and his ability. But I am not interested in entering into a bidding contest, and to stay [in QVC deal after Comcast came in] would have meant we were really interested in bidding for QVC, which was not our intention."

Tisch said CBS is "just as anxious as ever to do acquisitions in broadcasting or related areas... that make sense for the company" and network has $1.2 billion set aside for that purpose. Commenting on plan to buy back 3.5 million shares, he said CBS learned from QVC deal that it's not necessary to keep that money in bank. Following news conference, Tisch told us: "The overriding motive in seeking QVC was to buy a cable company and the services of Diller... Without Barry, QVC would be just another little cable company." Asked why he appeared before critics for first time, he said: "Very simply, I'm tired of the rumors. I wanted to appear before you face to face and just tell you exactly how I feel."

Impact of recent defections of CBS affiliates to Fox and ABC was downplayed by Tisch: "On balance, [we] will not have been hurt... CBS is going to be aggressive in making sure that we continue to have the best lineup of affiliates in America." To that end, CBS week ago signed 10-year agreement with 5 Group W TV stations (TVD July 18 p5).

Appearing day after Tisch, CBS Bcst. Group Pres. Howard Stringer said CBS was "doing rather better than anyone thought" in replacing affiliates. Network has to be "future-friendly" in affiliate relations, he said, and is in discussions with Discovery Channel on providing programming for tests planned by Discovery. On breakup of CBS-QVC merger, Stringer said: "CBS is alive and extremely well... I am pleased with the way the company rallied around... We are able to harness our dismay at what happened into competitive anger... The fact that Larry [Tisch] didn't put CBS on the auction block is the most hopeful part of this." Stringer said Washington uproar about televised violence has been worthwhile: "I think it was a great debate and I welcomed it. It's eased back a little bit [and] I'm a little bit grateful because I don't have to go to Washington as often as I used to."

CBS News Pres. Eric Ober told critics that TV networks have had "exploratory talks" about rotation of coverage of upcoming O.J. Simpson murder trial. Citing coverage of Iran-Contra hearings as precedent, he said "that could work again" but rotated coverage wouldn't happen at beginning of trial.

2ND-QUARTER EARNINGS UP: Broadcasters reported generally higher earnings for 2nd quarter, while results from cable companies were mixed.

Time Warner (TW) posted net loss of $23 million (-6¢ per share) compared with $83-million (-22¢) loss year ago, as gross revenues rose to $1.67 billion from $1.57 billion. Time Warner Entertainment, which controls film and cable ventures, reported net income of $54 million in 2nd quarter, up from $47 million, and gross revenues of $2.06 billion, up from $1.87 billion. Before depreciation and amortization, cable operating income declined to $256 million from $270 million while programmer HBO climbed to $67 million from $57 million. TW said attributed cable decrease to rate regulation.

Times Mirror announced 1993 income from continuing operations of $32.1 million (25¢, including 5¢ on sale of assets), up from $20.4 million (16¢). Revenues of $807.6 million were up from $784.6 million. TM cable operations, being merged into Cox Cable and carried on TM books as discontinued operations, had net income of $13.3 million, down from $27.5 million... **Falcon Cable Group** reported net loss of $1.5 million (-25¢ per equivalent limited partnership unit) compared with $1.6 million loss (-25¢) year earlier. Gross revenues dropped to $13.31 million from $13.34 million.

Tribune Co. reported 2nd-quarter net income jumped 37% to $85 million ($1.19) from $62.3 million (87¢), attributing much of gain to "higher operating profit from the media businesses" (TV-radio and entertainment). Net income for quarter was up 16% to $72 million. Profit for broadcasting and entertainment group was record $50.2 million on revenues of $223 million. TV revenue was up 11%, radio down 4%, primarily due to decline at WGN(AM) Chicago.

McGraw-Hill said profit rose 11% to $48 million (97¢) from $43.2 million (88¢) in 1993. Revenues increased 32% to $648.3 million from $490.9 million. **Gannett Co.** earnings were up 16% to $131.8 million (90¢) from $113.7 million (78¢). Revenue rose to $966.9 million from $937.8 million. Gannett said profits at its 9 TV stations and 11 radios increased 29%, despite decline in revenue because of sale of 5 stations.

Chris-Craft Industries (C-C) reported net income totaled $17.1 million (59¢), up 147% from $6.9 million in 1993. TV Div. operating income for 1994 quarter was $36.8 million, up from $26.4 million last year... **Park Communications** said it had best quarter in its history with profit up 47% to $8 million (38¢), vs. $5.4 million (26¢) year ago. Revenues of $48.1 million were up 9% from $44.2 million... **Pulitzer Publishing** earnings of $10.5 million (81¢) were up from $7.9 million (68¢) year ago. Revenues for quarter totaled $177.7 million, up from $104.3 million. Pulitzer said broadcasting revenues jumped 48.4% to $46.3 million"... **E.W. Scripps** reported earnings of $47.8 million (64¢), vs. $22.1 million (30¢) in 1993. Revenue was flat, totaling $307.6 million this year, $307 million last year.

United TV Inc. had net income of $8.8 million (87¢), up 24% on record revenues of $37.77 million, up 27%... **EZ Communications** reported net income of $1.62 million (18¢) for 2nd quarter, up from $1.002 million, on gross revenue of $18.9 million, up 29% from $14.7 million... **Multimedia** announced net earnings of $19.4 million (51¢), up 6.4%, on revenues of $159.2 million, up from $157.1 million... **SFX Bcstg.** reported net revenues for 2nd quarter up 178% to $14.8 million from $5.35 million, while broadcast cash flow increased 198% to $6.05 million from $2.03 million. Operating income increased 315% to $3.78 million from $913,000. SFX was formed in Sept. 1993 through merger of Capstar Communications and Command Communications... Despite decline in operating profits at **NBC** (no figures announced), GE reported 14% increase in earnings.

Knight-Ridder posted net income of $50.1 million (92¢), up 17.9% from $42.49 million (77¢), with operating income up 25% to $95.28 million from $76.24 million.

CONSUMERS 'LEFT OUT,' SAYS IGER: All of focus in planning for information superhighway is on technology, with what consumers want or need being left out, according to Robert Iger, pres. of ABC TV Network Group and exec. vp of Cap/ABC. Speaking at TV critics tour in Cal., he compared information superhighway with Manhattan's West Side Highway -- "badly crumbling." He said planners weren't concentrating enough on users and he didn't think "right questions are being asked in any talk of moving our world forward technologically... I don't think economics are being taken into account."

Iger said Warner Bros. and Paramount "are going to have a tough time, tougher than Fox had when it started," in attempts to form new networks this year. That's because there aren't enough strong stations to support 5th and/or 6th network, he said: "You have to focus on... the need for the strongest possible distribution system. The strongest stations in as many markets as possible are critical to the success of any new network."

Amount ABC pays affiliates in compensation, currently about $100 million annually, will increase, but not "dramatically," Iger said. He said long-term affiliations -- such as 10-year deals ABC has signed with Scripps Howard and CBS with Group W -- "are more valuable than straight cash... In many cases, we'd rather do it that way." ABC's programming is more important to affiliates than money, Iger said: "It's number one on their list." Network has had "across-the-board success... because of the strength of our programming... And, we're also good partners from a business standpoint... We're well placed. We're diverse as a corporation. So I don't stand in front of the affiliates with fear."

Also appearing before critics, ABC correspondent Ted Koppel defended coverage of O.J. Simpson murder case. "This is a terrific story," he said. "We are in the news business... Once in a while the God of broadcasting is really good to us and sends us a story that is unambiguously a big story. When that happens, you cover it. The key is not that we cover these stories, but how we cover them." Koppel planned Nightline special July 22 on media coverage of Simpson case.

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Installation of fiber networks, advances in ATM switching, standardization of set-top and video server software, lower data storage costs and FCC policy changes will prompt growth for set-top and video server manufacturers, Multimedia Research Group (MRG) said July 21 in its study of 100 companies. MRG said forecast resulted from case studies and cost-revenue analysis from market tests. Report is $1,995 -- 408-524-9767.

Scientific-Atlanta (S-A) and Itron said they jointly will develop automatic meter reading products and distribution automation systems for utility industry by integrating S-A's telephony-cable architecture with Itron's radio-based meter modules and fixed network.

STATIONS GET C- ON KID TV: Baltimore-Washington area commercial TV stations received C- grade from Md. Campaign for Kids TV on compliance with Children's TV Act of 1990. Study, which used 13 community monitoring teams, said only 2.2% of area stations' weekly programming was devoted to "educational or informational programming" for children, while Campaign's standard is 7 hours weekly. Stations had been given D- grade in 1993. "The results of the 2nd year of evaluation underscore the need for stronger and clearer regulations" at FCC, said Kathryn Montgomery, pres. of Center for Media Education.

Meanwhile, reply comments continued to come in at FCC on agency's June 28 en banc hearing on children's TV (TVD June 4 p5). Latest, from Center and 11 other groups and individuals, said record in inquiry (MM Doc. 93-48) "confirms that children's educational TV has improved little" since passage of Act and that amount of such programming "remains inadequate." Govt. action is required, groups said, "precisely because market forces work against" commercial stations' providing adequate educational and informational programming for children. Groups asked FCC to adopt "substantative definition" of children's shows that meet educational and informational mandate of Act.

Center for Media Study research submitted to FCC on children's TV was criticized by NAB as relying on "undocumented, anonymous interviews from people whose shows failed in the marketplace... CME's overgeneralizations about the children's TV marketplace routinely rely on insupportable, unscientific and undocumented research," NAB told FCC in reply comments. Montgomery testified at FCC hearing that programs produced as result of 1990 Children's TV Act had been assigned 2nd-class status and routinely scheduled in marginal time. NAB also disputed CME allegation that cash payments or share of toy profits are paid routinely to stations to air certain children's programs. NAB called practice "nonexistent or very unusual."

In joint filing, RTNDA and Reporters Committee for Freedom of the Press urged FCC not to adopt rules specifying amount and type of educational and informational program TV stations should be required to air. They cited recent U.S. Supreme Court decision on must-carry (TVD June 4 p2) and urged Commission to "pay heed" to ruling as it related to citing spectrum scarcity as continued rationale for regulation of program content. RTNDA and Committee said Court "stated its understanding that broadcast licensees are not required to carry any specific quantity of educational programming" or any particular type of programming. They urged FCC to "promulgate the least restrictive rules possible" to comply with Children's TV Act.

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TV/COM International said it wants to form N. American Digital Group, consortium of programmers, consumer electronics manufacturers, satellite and cable equipment makers, to devise digital compression standard that complies with MPEG-2. Modeled after Europe's Digital Video Bestg. (DVB) group, consortium would use international standards but add parameters for interoperability and multiple vender sourcing, TV/COM said. Group contended that prospective compression users in N. America had been offered only proprietary systems that require single vendor licensing, which it said complicated multiple vendor sourcing. Said TV/COM Pres.-CEO Hank Hanselaar: "The alternative threatens to lock the industry hopelessly into a proprietary licensing situation." TV/COM said it hoped to host first meeting in early Sept. to set up group's structure -- TV/COM, 619-451-1500.

BET PLANS HOME SHOPPING TEST: Black Entertainment TV (BET) and Home Shopping Network (HSN) said they would form joint venture to tap what they see as underserved demographic group. Venture is designed as precursor to 24-hour niche home shopping channel, but BET Pres.-CEO Robert Johnson said current cable capacity shortage would make carriage of such network difficult now.

Trial, which will run as 2-hour weekly program called BET Shop, could provide numbers needed to make "good pitch" that money saved by black consumers would come back to operator, he said: "It's a way of saving money by being hooked into cable." Also, he said, pay-for-carriage dynamic of home shopping generally puts programmer in "better position to hold an initial discussion." Test begins Sept. 17 for 13 weeks.

Johnson referred to venture as "a perfect fit" that he said would combine HSN's marketing expertise with BET's knowledge of black consumers. HSN Pres.-CEO Gerald Hogan said it would target consumers "underserved in the traditional retail market." It will be highly targeted to urban markets, Johnson said, because that's where most blacks experience high prices and low availability of popular stores and products. He said move of retail outlets to suburbs, sometimes inaccessible to city dwellers without transportation, made idea more attractive venture. Although no one at BET could say how much it would undercut store prices, Johnson promised "greater value" for niche customers.

Product mix will be 80-20 split between black-oriented and mainstream, said Janis Thomas, pres. of BET Direct marketing subsidiary that will oversee BET Shop. Plan is to showcase 10-12 products per hour, she said. Johnson said test would target female black market, which he said tended to use home shopping more than males, featuring apparel and jewelry. He said some black celebrities already had contacted networks about sponsoring product lines, but he didn't name them.

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NAB lobbying campaign against spectrum tax to finance General Agreement on Tariffs & Trade (GATT) paid off. House Ways & Means Committee Chmn. Gibbons (D-Fla.) sent July 20 note to NAB Pres. Edward Fritts telling him that Administration won't propose tax. Gibbons said tax "would have hit primarily radio and television stations and would do substantial damage to the industry." He said "a spectrum tax will not be imposed to offset the approximately $10 billion in tariff reductions expected under the new trade agreement. We may change the budget rules, but you need not worry about the spectrum fees." Fritts said that "we do not believe the concept of this spectrum tax will disappear forever" and that broadcasters must continue to remain on guard.

NAB urged Dept. of Energy not to apply conservation standards to TV sets, arguing that they weren't needed since TV set uses only as much energy as light bulb. NAB said standards could deter set makers from introducing features such as brighter displays for sight-impaired, "clearly preferred by consumers."

KSWT (Ch. 13) Yuma switches from ABC to CBS in fall. CBS affiliate KECY-TV (Ch. 9) El Centro, Cal.-Yuma is changing to Fox.

Senate Communications Subcommittee will hold authorization hearing for FCC FY 1995 budget, July 29, 9:30 a.m., Rm. 253, Russell Bldg.

SENATE MARKUP POSSIBLE THIS WEEK: Senate Commerce Committee may well approve bill (S-1822) this week that would allow RHCs to offer TV in their territories in competition with cable. Bill also includes language to give broadcasters flexibility to use spectrum similar to wording already in bills passed by House.

Also on table is bill by Senate Republican Leader Dole (Kan.) that would repeal cable regulation while deregulating many telecommunications services. That bill is seen as outer boundary of what would be acceptable this year, but could move into mainstream should Republicans take over Senate after Nov. elections.

For S-1822, however, there are no certainties. It's still possible markup could be delayed, making its chances for Senate passage this year even more remote given heavy legislative agenda and tight election-year schedule.

Most of debate last week involved portions of bill related to telephone industry, such as conditions under which RHCs could offer long distance services and how universal service could be preserved in rural areas. Draft put together by staff from rural areas, so-called "Farm Team," would allow cable-telco joint ventures similar to those provided in House measure.

Bill's progress also became uncertain when RHCs walked away from negotiations with Senate staff. They never had supported bill, by Commerce Committee Chmn. Hollings (D-S.C.), to begin with, and last week gave up trying to reach compromise on regulatory sections dealing with local competition that could be important to cable companies thinking about offering telephony.

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For 2nd time in 3 months homemade bomb has been sent to Robert Iger, pres. of ABC TV Network Group. First bomb was mailed to his N.Y. office, 2nd to L.A. United Parcel Service worker in Jackson, Miss., discovered latest bomb July 19 when he noticed package was smoking. It contained buckshot and black powder attached to battery and was disarmed by police bomb squad, which said it would have blown up if package had been opened. Last May, 3 floors of ABC hq in N.Y.C. were evacuated after secretary opened bomb package that didn't explode. Earlier bomb also was shipped via United Parcel from Mobile. No motive has been established, and Bureau of Alcohol, Tobacco and Firearms is investigating.

Cable operators should develop advertising strategies that "synchronize with viewing behaviors" and recognize that "channel surfing is a reality. We can ignore it or creatively adapt to the shifting viewing patterns," said Grace Ascolese, Cable TV & Mktg. Society (CTAM) vp, referring to CTAM Plus, new research series whose first installment studied channel surfing. Study found: (1) Younger viewers surfed more than older ones. (2) Surfing increased with household income. (3) About 2/3 of cable subscribers surfed with "regular frequency." (4) Premium subscribers surfed more than those with basic. (5) Surfers watched more channels (11.4 per week) than nonsurfers (10.2). Study covered national sample of 648 subscribers, CTAM said.

House-Senate conference committee on banking regulation last week approved bill that would allow radio broadcasters some slack in ads on leasing so that information about lease terms could be provided by methods other than having announcer read many details and conditions very quickly. NAB Pres. Edward Fritts said final approval of report could lead to $20-$50 million in new revenue for radio.

Communications industries, 5th fastest growing in U.S., will see spending by advertisers and consumers on products and services of $303.5 billion by 1998, compound annual growth rate of 6.6% over next 5 years. That's prediction of investment bankers Veronis, Suhler & Assoc. (VSA) in 8th annual Communications Industry Forecast released July 25. "With the economy expected to improve, consumers will be willing to buy more and, in reaction, advertisers will spend more," VSA Pres. John Suhler said. "The economy will be a major determinant in end-user spending since the technological boosts of cable, home video and Compact Discs have already penetrated the market and will no longer impact end-user spending." Fastest-growing sector of communications is expected to be interactive digital media for consumer market, with computer household penetration reaching 50% by 1998. Predictions for growth next 5 years for industry segments: Advertising and promotion to $326 billion, 5.1% annual growth; TV broadcasting to $34.7 billion, 5.5%; radio ads to $13.2 billion, 7.1%; cable TV spending $27.4 billion, 4.7%; newspaper ads $60.2 billion, 5.9%; book publishing $32 billion, 7.2%; interactive digital media $22.3 billion, 11.7%. VSA predicted that home shopping and infomercials would grow more slowly over next 5 years because of decreased availability of TV channels.

House and Senate negotiators agreed last week on conference report for FTC FY 1995 authorization that for first time would allow Commission to issue rulings that some trade practices are "unfair." In past years, Congress has prohibited FTC from using that part of its statutory authority in rulemaking and individual case decisions, requiring agency to rule whether ad was deceptive or not truthful. Conference report also signals that Congress will pass FTC authorization for first time in 14 years. Daniel Jaffe, exec. vp of ANA, said agreement will mean broadcasters and other advertisers also will have firm guidelines on what constitutes unfair advertising. According to conference report on bill (HR-2243), definition covers whether act or practice under investigation "is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition."

In joint filing, RTNDA and Reporters Committee for Freedom of the Press urged FCC 18 not to adopt rules specifying amount and type of educational and informational program TV stations should be required to air. They cited recent U.S. Supreme Court decision on must-carry and urged Commission to "pay heed" to ruling as it related to citing spectrum scarcity as rationale for regulation of program content. RTNDA and Committee said Court "stated its understanding that broadcast licensees are not required to carry any specific quantity of educational programming" or any particular type of programming. They urged FCC to "promulgate the least restrictive rules possible" to comply with Children's TV Act of 1990.

Fairfax County, Va., police arrested 2 Falls Church men who allegedly ran cable piracy ring, charging clients $300 for altered converters to pick up channels beyond basic. David Borden, 46, and his roommate, Clarence Lapham, 65, were charged with felonies. Police also arrested 3 Media General (MG) employees and 3 from C&S Installation, which does work for MG under contract. MG discovered 1,000 boxes were missing in March inventory and estimated it lost $1 million on cable theft in last year. MG has opened window for subscribers with altered converters to turn themselves in with immunity and avoid later arrest.

DBS-2 satellite is scheduled for launch July 28 at 7:45 p.m. from Cape Canaveral, Fla., on Atlas.

Personals

FCC Chmn. **Hundt** addresses 1994 National Urban League Conference, July 26, Ind. Convention Center, Indianapolis...**Douglas Greenlaw**, ex-chmn.-CEO, Whittle Communications Ventures Div., appointed Multimedia pres.-COO, succeeding **Walter Bartlett**, retired... NCTA Pres. **Decker Anstrom** moderates Atlantic Cable Show panel, "Voices from the Leading Edge," Atlantic City, Oct. 4... Changes at CBS Entertainment: **Andy Hill** advanced to pres., CBS Entertainment Productions; **Rod Perth** promoted to senior vp-late night and nonnetwork programming; **Lisa Freiberger** advanced to senior vp-talent and casting; **Tanya Lopez**, ex-ICM senior vp, joins as vp-dramatic program development.

Carole Black, ex-Disney Co. senior vp-TV marketing, appointed pres.-gen. mgr., KNBC-TV L.A... **Mike Mandelker** promoted to vp-gen. mgr., eastern sales, NBC TV Network; **Melvin Berning** to vp-eastern and news sales... **Patricia Matson**, Cap/ABC vp-corporate communications, assumes additional responsibilities formerly held by **Charles Keller**, vp-corporate initatives, retired... **Stan Hopkins** promoted to KRON-TV San Francisco news dir... **Deloris McBain** advanced to dir.-station relations, WMAQ-TV Chicago.

Laura Walker moves from vp-development, Children's TV Workshop, to vp-project dir. of new companywide initiative to pursue "new partnerships and channels of distribution" for children's learning materials across all media... **Scott Lerman**, Siegel & Gale COO-exec. vp, promoted to managing dir.-exec. vp... **Steve Gorski**, Mind Extension U. eastern regional sales dir., promoted to vp-advanced development projects, Jones Education Networks... **Phil Giordano**, ex-Vision Cable, named Pioneer New Media Technologies mgr.-mktg., Cable and Best. Systems Group... Changes at WNYC Communications Group: **John Platt**, ex-WNEW-AM and WYNY-FM N.Y.C., appointed dir.-mktg. and communications; **Theodore Manekin**, ex-theatrical producer, named dir.-membership.

Satellite Bestg. & Communications Assn. Pres. **Charles Hewitt** and Cable Telecommunications Assn. (CATA) Pres. **Steven Effros** discuss impact of DBS on video marketplace, CATA Open Forum, Aug. 2, Inforum, Atlanta... **Suzanne Hayes**, NCTA vp-programming and mktg., resigns to pursue personal ventures in telecommunications... **Larry Aidem**, ex-HBO, joins Showtime Networks as senior vp-brand development... **John Hoagland** promoted to Ecology Channel CEO... Appointments at N.Y.C. SportsChannel: **Gary Mancuso**, ex-Petry, named vp-national sales, SportsChannel Regional Networks; **Keith Kaplan** promoted to asst. sales mgr.-national sales... **Thomas Rothman**, ex-Samuel Goldwyn Co., named pres. of unnamed subsidiary of 20th Century Fox to produce "sophisticated, adult-oriented" movies.

Jake Jacobson promoted to Paramount Network TV senior vp-business affairs... **Michael Young** advanced to vp-gen. mgr., WABI-TV Bangor... **Mary Sokoler**, ex-KITN-TV Minneapolis, appointed vp-gen. mgr., KRLR Las Vegas... **Neal Sabin**, ex-WPWR-TV Chicago-Gary, named vp-gen. mgr., WCIU-TV Chicago... **Paul Davis**, ex-WGN-TV Chicago and former pres. of RTNDA and Society of Professional Journalists, appointed news dir. of co-owned WLVI-TV Cambridge-Boston... Changes at C-Cor: **Les Chitester**, ex-GSS/Array Technology Business Unit mgr., named gen. mgr.-Fremont Operations, succeeding **William Provett**, promoted to vp-operations and mfg.; **Robert Hoffman**, ex-Cincinnati Microwave, appointed vp-engineering.

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William Baker promoted to Motion Picture Export Assn. of America pres.-COO, succeeding **Myron Karlin**, who becomes senior consultant... Universal Pictures promotions: **Daniel Wolfe** to vp-creative ad operations, **Pam Postrel** and **Mary Erickson** to creative ad dirs., **Brenda Scarbrough** to exec. dir.-media, **Pam Blum** to dir.-mktg. services, **Charles Gaylord** to dir.-mkt. research, **Elizabeth Gengl** and **Jeffrey Sakson** to publicity dirs., **Marilyn Moore** to dir.-field operations... **Cherie Kiser**, ex-LeBoeuf, Lamb law firm, joins Mintz, Levin as assoc.

Cynthia Baker, ex-Fox News Service vp-managing editor, named bureau chief, Tribune Bestg. Washington TribNet...**Gail Markels**, ex-MPAA vp-counsel, appointed senior vp-gen. counsel, Interactive Digital Software Assn...**Jessica Rodriguez**, ex-Discovery Communications senior mgr.-new business and international financial planning and analysis, named dir.-international development, Travel Channel.

Richard Levit, ex-Ernst & Young senior consultant, named vp, Communications Equity Assoc... **Valerie DeSanti**, ex-Spectrum Ad Sales, appointed vp-ad sales, Marlin Entertainment... Promotions at TCI: **David Oman** to dir.-state govt. affairs and **Cynthia Eichner** to dir.-field communications.

Consumer Electronics

A Section of Television Digest with Consumer Electronics

STATE OF THE INDUSTRY

Sales to dealers, from EIA, for first week of July and year to date:

	JULY 2-8	1993 WEEK	% CHANGE	JUNE 25-JULY 1	27 WEEKS 1994	27 WEEKS 1993	% CHANGE
TOTAL COLOR TV.	231,241	206,372	+12.1	874,222*	11,574,330*	10,751,482	+ 7.7
DIRECT-VIEW..	228,391	204,059	+11.9	847,419*	11,335,979*	10,579,947	+ 7.1
TV ONLY.....	212,156	196,167	+ 8.2	767,644*	10,438,699*	9,988,022	+ 4.5
TV/VCR COMBO	16,235*	7,892	+105.7	79,775*	897,280*	591,925	+51.6
PROJECTION...	2,850	2,313	+23.2	26,803*	238,351*	171,535	+39.0
VCR DECKS.....	73,476	75,721	- 3.0	494,303	5,232,006	5,301,226*	- 1.3
CAMCORDERS.....	14,507	27,062	-46.4	148,649	1,410,343*	1,355,405	+ 4.1
LASERDISC PLYRS	2,511	1,781r	+41.0	9,455	131,815	130,206r	+ 1.2

Direct-view TV 5-week average: 1994--451,332*; 1993--396,221 (up 13.9%).
VCR deck 5-week average: 1994--190,034; 1993--206,187 (down 7.8%).
Camcorder 5-week average: 1994--57,382; 1993--58,494 (down 1.9%).

* Record for period. r Reflects revision by EIA.

1994-MODEL TV AND CAMCORDER SALES SET RECORDS: More "1994-model" color TVs of all kinds -- direct-view, projection and VCR combos -- moved into dealer channels than in any previous model year. That also was true of camcorders, but VCRs missed setting sales record by just 1.2% -- 158,350.

Sparkplug of TV sales was TV/VCR combo, whose numbers were up 70% in hypothetical model year, July 1993-June 1994, according to our analysis of EIA figures. Projection TV sales increased 26% to 531,638, confounding all industry forecasts. Total direct-view sales (including combinations) exceeded 25 million for first time in any model year -- big 2.28 million ahead of previous record set one year earlier (TVD July 26/93 p12). Color TVs of all kinds fell just short of 26 million in total sales.

Camcorder sales topped 3 million for first time in any model year. Although it was only 2nd best year in history for VCRs, actual sales of devices containing VCRs were up 4.6% -- adding TV/VCR combos to standalone VCRs yields record 14,306,731 sold in 1994 model year vs. 13,671,944 in 1993 period. (In our tabulations, we include TV combos as part of total TV, but good case can be made for classifying them as VCRs.)

All major products except VCRs exceeded calendar year 1993 sales in model-year 1994, good portent for full-year sales, particularly in direct-view TV categories, where sales gained momentum in 2nd quarter of this year. Here's table of 1994 model-year sales, with 1993 and 1992 model-year comparisons:

MODEL-YEAR SALES, 1992-1994

Product	1994 Models	1993 Models	% Change	1992 Models	% Change
Total color TV.	25,896,787*	23,505,695	+10.2	21,013,490	+11.9
Direct view..	25,365,149*	23,083,649	+ 9.9	20,615,208	+12.0
TV-only....	23,439,290*	21,950,925	+ 6.8	19,878,723	+10.4
TV/VCR.....	1,925,859*	1,132,724	+70.0	736,485	+53.8
Projection...	531,638*	422,046	+26.0	398,282	+ 6.0
VCR decks.....	12,380,872	12,539,220*	- 1.3	11,457,154	+ 9.4
Camcorders.....	3,155,920*	2,996,821	+ 5.3	2,814,495	+ 6.5

* Record.

A look at history of model-year sales figures shows growing momentum in direct-view color in 1993 and 1994 after dip in 1990-1992. Sales of direct-view color and projection TV have doubled since 1983 model year, while VCRs have doubled since 1986, camcorders since 1997, TV/VCR combos more than doubled since 1992 and more than tripled since 1991.

Model Year	Color TV**	Projection	VCR Decks	Camcorders	TV/VCR
1993.....	23,083,649*	422,046*	12,539,220*	2,996,821*	1,925,859*
1992.....	20,615,208	398,282	11,457,154	2,814,495	1,132,724
1991.....	20,055,035	357,834	9,900,643	2,983,611	736,485
1990.....	21,106,879	301,269	10,306,762	2,584,444	595,155
1989.....	21,607,435	276,879	10,311,052	2,168,909	--
1988.....	19,328,374	293,591	10,938,987	1,772,723	--
1987.....	18,859,559	294,482	11,787,260	1,361,068	--
1986.....	17,317,478	282,326	11,694,349	825,084	--
1985.....	16,180,402	220,571	9,583,053	***	--
1984.....	15,196,870	256,633	5,423,816	***	--
1983.....	12,232,935	165,205	2,872,278	--	--
1982.....	11,236,621	134,514	1,558,452	--	--
1981.....	11,193,119	118,047	1,061,535	--	--
1980.....	10,065,718	74,000#	581,552	--	--
1979.....	10,286,351	n.a.	430,434	--	--

* Record. ** Direct-view only. *** Included in VCR decks. # TV Digest estimate.

U.S. COLOR TUBE OUTPUT GREW 40% IN 1993: Seven manufacturers in U.S. sold record 23,409,100 color TV picture tubes last year, increase of 39.8% over previous record 16,741,500 set 1992. Figure is from EIA Mktg. Services Dept., as reported in just-published 1994 Electronic Market Data Book.

Data don't include renewal tubes, mostly made by a few rebuilders. Some 79.1% of U.S. output went to initial equipment manufacturers here, remaining 4,885,000 exported (up 39.6%). Total unit sales were double those of 1986. Dollar volume of tube sales increased big 49.5% to $2.54 billion from less than $1.7 billion, presumably mainly due to greater number of very large screen types in mix. Average factory price of color tube thus rose to $108.50 in 1993 from $101.10 in 1992 and $102.92 in 1991.

In addition to domestic production, U.S. imported record 546,704 color tubes in 1993, up 38.2% from 395,630 in 1992, according to Commerce Dept. figures quoted in Market Data Book. Dollar volume of 1993 imports was $106.6 million, up 59.4% from $66.9 million in 1992. While tube exports outnumbered imports almost 8 to 1, presumably because of large number of exports to Mexico, average import apparently was considerably more expensive than average export -- $195 vs. $112.

Nearly 25% of tube imports came from Italy, where Thomson has factory -- at average price of $265.27. Largest supplier was Taiwan, at 26.2% of total but average price of only $44.83. Third largest supplier in units, but largest in value, was Japan ($425.43 each), followed by Germany, where Philips has plant ($248.71 each). Canada (Mitsubishi) was 5th -- source of 38,374 tubes (averaging $78.02), followed by Malaysia ($44.83). Accounting for lesser numbers were Mexico (Thomson has plant there), Korea, China. Wide disparity in average prices presumably reflects different types of tubes -- Malaysia and Taiwan supplying mainly 13" tubes, Japan source of flat-screen and other more costly tubes, including Mitsubishi's jumbo 40", Thomson supply including some 16:9 widescreen tubes.

Imports of monochrome picture tubes totaled 219,145 at $5,769,873, average of $26.33 each, down from 229,730 at $7,711,889 or $33.51 each. Average price of b&w tube has dropped progressively as larger sizes disappeared from U.S. market.

U.S. imported $80.2 million worth of projection TV tubes, up 19.9% from $66.9 million in 1992, with preceding 3 years accounting for $65.4 million, $60 million, $48.3 million. Until this year, there was no domestic source for projection tubes -- now Sony and Hitachi are starting production in U.S.

Future of domestic tube industry -- in terms of units, at least -- is bright. Comments by Corning Asahi Video Products' Duane Welch in Data Book noted that growth in total TV set demand of more than 3.5% annually "is expected on an already high base, the largest in the world; more than 31 million sets in NAFTA

[countries, U.S, Mexico, Canada] by 1998; much higher sales growth rates for large (25", 27") and very large sizes (30" and larger); a much faster growth of the Mexican market..., the expected growth in demand due to 'interactive TV' and HDTV; prospects of more tube [and] set exports out of NAFTA, competing with Asian products."

"Capacity expansions already on the drawing board at several tube makers, along with new entries, will help to bring productive capacity up to about 30 million tubes by 1998," Welch wrote. "This capacity will produce all sizes from 19-inch to the very large direct view, but small TV sizes will still be produced in Asia... Several Asian markets produce more tubes annually, but given the breadth of sizes produced here, the total dollar value of North American production is considerably larger. With the trend to larger sizes, the forecast is for higher dollar growth in the future."

Market Data Book, completely revised, contains extensive data on $303-billion U.S. electronics industry. Cover price is $150 for single copy for nonmembers. Other prices and orders: 202-457-4950.

ZENITH $8.4 MILLION LOSS BEST IN 10 QUARTERS: Riding on good consumer electronics business, restructuring and downsizing, Zenith trimmed 2nd-quarter net loss to $8.4 million, down 66% from $24.7-million loss in same quarter 1993. As usual, company refrained from making predictions for balance of year.

Company's total revenues rose 9% to $299 million in quarter (see financial table). In its "core businesses" of consumer electronics and network systems, sales increased $42 million, "even after absorbing $12 million of lower consumer electronics selling prices from a year ago," Zenith said, while "noncore business revenues declined by $18 million.

"Higher Zenith color TV unit sales to dealers" as well as sales of set-top boxes were major factors in sales increases, company said. Also contributing to $16 million improvement in quarterly profit were lower costs resulting largely from "reengineering programs and a substantial reduction in losses from noncore business areas that have been sold or downsized." Noncore businesses (such as power supplies, sold during quarter) represented less than 2% of revenues this year vs. 8% last year. During quarter, company completed sale of its 1.7 million-sq.-ft. Springfield, Mo., plant, with contract signed for sale of another 500,000-sq.-ft. building.

Company reported operating loss of $4.9 million in quarter, down from $21.1 million year earlier, remainder of loss being interest expense. Cost of products sold increased to $26 million from $23.2 million, engineering and research was fairly steady at $11.4 million (vs. $11.6 million). For first half, net sales were up 5.5% to $596.1 million as net loss dropped 56.3% to $20.3 million.

Zenith's 2nd-quarter loss represented best results in 10 quarters, since 4th quarter 1991 (when it reported $500,000 profit). It was 21st loss in 22 consecutive quarters, with main string of losses starting in 1989 first quarter.

Virtual Vision last week filed preliminary documents for Ch. 11 bankruptcy, with formal filing in U.S. Dist. Court, Seattle, expected by early Aug. List of top 20 unsecured creditors was headed Vulcan Ventures, owed $5 million, followed by Micron Technology, $3 million; Praegitzer Industries, $1.6 million; Micron Custom, $1.3 million; D. Blech & Co., $1.1 million. VV, which made splash 2 years ago with hi-tech video glasses, has shifted focus from consumer to commercial and military markets. Company has said entry into consumer market was "premature," but it hasn't completely abandoned field. Clients currently include Boeing, Loral and Carnegie Mellon, all interested in glasses for computer VGA applications, VV Mtkg. Vp Brian Durwood said. VV will have about 200 hand-built VGA versions of glasses by year-end at $2,000, with production starting next year, he said. In shift in strategy, VV will source components rather build them for glasses, Durwood said.

Hitachi will launch TV ad campaign in Sept. featuring Reggie Jackson promoting 27"-60" UltraVision TVs. New 30-sec. spot will air on ABC's Mon. Night Football. Print ads with Jackson began this month.

NAB sided with EIA Consumer Electronics Group in urging Dept. of Energy not to apply energy conservation standards to TV sets (TVD June 13 p17). Broadcasters argued that standards aren't needed since TV set uses only as much energy as light bulb. It said standards could deter set makers from introducing features such as brighter displays for sight-impaired, "clearly preferred by consumers."

EIA Trade Directory & Membership List, covering more than 1,000 member companies, is now available at cover price of $200 per single copy for nonmembers, with special pricing for members and quantity orders -- 202-457-4905.

THIS WEEK'S YEN RATE

Yen values have been converted to dollars in this week's issue at 99 yen = $1, except where noted.

TANDY'S 'FAMILY RADIO SERVICE': Company that probably benefited more than any other from CB boom of 1970s last week proposed updated and superior version in petition to FCC.

Tandy Corp. asked Commission to create unlicensed 2-way voice radio "Family Radio Service" (FRS) that would operate in UHF, sharing on secondary basis 462-467 MHz channels used by General Mobile Radio Service (GMRS). Asking FCC to start rulemaking to establish new service, Tandy said it envisioned consumers' using palm-size transceivers to access short-range service that would be less costly than cellular, suffer less interference than CB, be free of licensing requirements of GMRS.

"FRS will help meet the burgeoning public demand for an affordable and convenient means of direct communication among individuals," Tandy told FCC in petition. "Unlike many existing (and some proposed) radio services, FRS will not be interconnected with the public telephone network... FRS can be established without allocating new spectrum and with virtually no impact on present radio users." Company said service would "enable individuals to maintain close contact without the burdensome licensing and technical requirements of existing radio services."

Tandy suggested service would be particularly useful for neighborhood citizens' patrols. "There is mounting evidence of the public's need for a readily accessible communications capability to promote public safety and combat crime. [FRS] will especially benefit public safety groups such as Neighborhood Watch and Tot Finders who provide communications that are vital to the public interest but who otherwise are inhibited by restrictive requirements from using radio services such as GMRS."

Service also would serve needs of general public by offering close contact at "sporting events, shopping malls, parks and between vehicles during trips," Tandy suggested. Parents could use devices to monitor children at play, and "impromotu groups will be able to communicate conveniently using FRS for activities such as fund-raising and social events."

Tandy conducted "extensive field tests" in Dallas-Ft. Worth to determine optimum power levels and interference potential and recently tested FRS at Disney World in Orlando. Tandy official said technology already exists -- "it's just a matter of having rules to permit us to sell our product" as part of new unlicensed service."

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Emerson plans to expand distribution to U.K. by Christmas, according to report in Britis'. magazine ETP. Exec. Tareq Risheq told magazine that Emerson was seeking U.K. distributor for audiovideo products and microwave ovens. Video products will include TVs and VCRs, and 35 audio products will involve clock radios, audio systems, CD changers, several microwaves, said Risheq, who cited Daewoo, GoldStar and Samsung as main competitors. "We can compete with the Koreans," he said, but Emerson won't compete with Toshiba and Sony in U.K. "We are almost 10% cheaper than Koreans on price points." Emerson news received terse response. "We need another audiovisual company on the British market like a hole in the head," said John Benningsen, Toshiba managing dir. in U.K. "We could do with 10 or 20% less."

Cowboy Maloney's Electric City opened 8th store in Gautier, Miss. New 20,000-sq.-ft. outlet carries audiovideo products, including RCA Digital Satellite System (DSS).

PHILIPS MULLS TUBE PRICES: Philips Display Components is "assessing the market impact" of Thomson Consumer Electronics' announcement of 4-7% price increase on color tubes in N. America (TVD July 4 p12), Sales & Mktg. Vp Ed Egert said.

If Philips does increase tube prices it will be 2nd time this year, Egert said, noting that company had some "pricing adjustments" early in 1994. We reported that company told TV set makers of average 3% increase at that time (TVD Jan 31 p13).

"We are delighted" with Thomson move, Egert said. "If this industry is to survive it must have return on investment. We are waiting for set manufacturers to come to that realization." Now is auspicious time for increase, he said. "All the ingredients indicate prices must go up" -- shortage of domestic glass, high cost of glass imports, 3rd consecutive TV boom year, gradual increase in U.S. prices generally. "Conditions couldn't get much better for timely relief," he said.

As for Thomson's intention to switch to dark glass exclusively for 20" and larger tubes, Egert said Philips had made no decision, and "will be guided by our customers' needs."

* * * * *

Toshiba eventually may produce its new "microfilter" tube in U.S., but currently has no plans to do so, Toshiba Display Devices Engineering Vp Tetsuo Hasegawa said. He said that at start, new tube would be produced only in Japan for Asian market. Tube, which uses colored filters as well as phosphors, is claimed to have increased brightness, resolution and contrast and lower energy consumption.

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Philips sued Universal Electronics last week charging infringement on patent for infrared remote control technology. Suit, filed in U.S. Dist. Court, Wilmington, Del., came nearly 6 years after Philips first claimed Universal had infringed on patent. Universal Pres. Thomas Tyler denied allegations: "It is my belief that Philips hasn't effectively competed against us in the marketplace and has apparently decided to attempt to restrain our success through the court system." Philips spokesman said company attempted to negotiate license agreement with Universal. "Philips has been convinced for some time that Universal Electronics has been and continues to infringe our patents," he said.

Gold Peak Industries, Hong Kong parent of KEF and Celestion speaker brands, reported record consolidated profit of $28.3 million for year ended March 31, up 68.9% from year earlier, on $292 million sales, up 13.1%. Marking its 30th anniversary, company claims to be largest car audio manufacturer in Hong Kong and China, producing more than 1.5 million autosound products annually. Company is involved in rechargeable battery joint venture with Toshiba in China. Its U.S. operation, KH America, headed by Robert Heiblim, in effect is subsidiary of British venture Kinergetics Holdings, 50% owned by Gold Peak.

CES S. America still is in works, according to trade show calendar issued by EIA Consumer Electronics Group, but it's merely scheduled for "Summer 1995," with dates to be "announced when they are finalized." It was postponed from Aug. 1994 due to economic and political instability in Brazil (TVD April 25 p11). Other events on calendar: Oct. 4-6, 1994, CES Mexico, Mexico City; Jan. 6-9, 1995, Winter CES, Las Vegas; April 7-9, Mobile Electronics Show (MES), Philadelphia; May 11-13, CES Interactive '95 and Personal Communications & Computing Show (PCC), Philadelphia.

2 GAME RATING SYSTEMS: Software Publishers Assn. (SPA) said it's forming "Recreational Software Advisory Council" (RSAC) to administer videogame rating program for personal computer software industry. Also participating in effort are Assn. of Shareware Professionals, Educational Software Cooperative, Shareware Trade Assn. & Resources (STAR).

Announcement follows acknowledgment by SPA and Interactive Digital Software Assn. (IDSA) that they will be unable to resolve differences in time to implement unified system for holiday selling season. Groups met earlier this month in what both sides called "good-faith attempt" to state their positions and try to achieve agreement that could be presented to Senate subcommittees. Hearing of Sens. Kohl's (D-Wis.) Subcommittee on Juvenile Violence and Lieberman's (D-Conn.) Subcommittee on Regulation & Govt. Information is scheduled for 9:30 a.m. July 29, Rm. 216, Hart Bldg.

SPA said RSAC will assign ratings before product shipment "and investigate consumer complaints about products believed to be misrated." Panel will include "parents, teachers and concerned experts from various disciplines. It will not be controlled by the software industry, but instead will be a separate, independent organization."

"Independence of the governing body is essential for the credibility of the ratings program," said LucasArts Entertainment Gen. Counsel Robert Roden, co-chmn. of SPA ratings effort (along with Interplay Productions Vp Phil Adam). "We have deliberately organized RSAC's board of directors to give parents, teachers and other concerned groups more votes than the software industry." He said group will be incorporated "outside any software industry trade association."

SPA is citing board's independence as main difference from IDSA proposal, which involves board of outside raters administered by IDSA-appointed exec. dir. IDSA, for its part, points out that SPA plan continues to revolve around principle of "registered disclosure," under which publishers and developers submit only printed application (as opposed to examples of actual play, storyboards, etc., that IDSA requires) in seeking rating assignment.

Participants in SPA plan said they have "nearly completed" work on ratings application and defining categories. Application, which is only evidence that must be submitted to board in advance of product shipment, is designed so "it would be extremely difficult to file inaccurate information and then later claim a misunderstanding" if information is challenged by RSAC, SPA Gen. Counsel Mark Traphagen said.

Time is of essence if plans are to be functional in time for holiday season, which apparently is of great importance to Kohl and Lieberman, both of whom are running for reelection this year. IDSA Pres. Douglas Lowenstein said Assn. must have its system in place by end of Aug. to hit Christmas rush, and Traphagen said SPA is "planning on being up and running on Sept. 15" to enable publishers to sticker their packages with ratings symbols for big selling season.

IBM could straighten out VCR manufacturers, it believes -- or is its comment mere whimsy by its ad agency? Ad in its continuing series plugs its computer-to-computer help line and adds: "Hey, too bad we don't make VCRs."

NINTENDO PENALTY IN COURT: As N.Y. federal court jury heard testimony on amount of damages it should award defunct Alpex Computer company for Nintendo infringement of bit-mapping display patent for videogames, contrasting pictures of fledgling business emerged. Jury decided in June (TVD June 6 p18) that Nintendo had infringed on patent for method of generating video signals for displaying images, now must decide damages. Patent was issued in 1977 to 2 inventors who assigned it to Alpex.

State of videogame industry at NES introduction is crucial to case. Attorneys for Alpex contended business was well established when Nintendo Entertainment System (NES) was introduced in 1985, while Nintendo countered that industry hadn't reached that point.

Alpex is seeking $416 million in royalties while Nintendo has valued damages at $400,000, roughly amount computer company was said to be asking other companies for license for its patent. Case hadn't gone to jury by week's end and testimony was expected to resume this week.

Jury last week heard testimony from Nintendo Pres. Minoru Arakawa and Chmn. Howard Lincoln describing preparations for NES launch in N.Y.C. in Oct. 1985 and national rollout in summer 1986. Arakawa said that although he projected selling 100,000-150,000 units in N.Y. test market, actual sales in fall of 1985 totaled 60,000, leaving company with 90,000 in inventory. "It was not as good as we had expected," he said, but he did say later sales took off in 1986 and NES eventually reached 38% of U.S. homes. Company spent $25 million on N.Y. launch, he said.

Arakawa also testified that he and Lincoln first heard of Alpex patent through industry "rumors" in fall of 1984. After consulting patent attorney, he said, Nintendo continued with NES plans, maintaining that it didn't infringe on patent.

Alpex attorney John Strauch said that Nintendo "knew about" patent in 1978, but conceded that Arakawa and Lincoln might not have "learned about it" until 1984. Nintendo "never got a final written opinion regarding possible infringement before going forward" with NES, Strauch said. He said Alpex had warned Nintendo of possible infringement in Jan. 1985. "This was a pioneer invention that was the basic building block on which NES in United States was created."

NES has posted $714 million in profits on $3.4 billion in sales since 1985, said Strauch, who based damages on 12% royalty. Nintendo attorney John Kirby said Alpex offered other companies nonexclusive license for $400,000, but Nintendo didn't seek deal because "it believed it did not infringe." Nintendo created "new services and benefits" that drove NES sales, he said. "You have to make a judgment about what led to this success," Kirby told jury. "What did the parties know and expect in 1985?"

Philips officially launched Sound & Vision Group as successor to Consumer Electronics Div. Sound & Vision, headed by Jan Tollenaar, who became COO at Philips Consumer Electronics last year, said former CE Div. was too large and diverse to be completely effective, according to company's newsletter. Tollenaar was quoted as saying that key aim of Sound & Vision is to become financially self-supporting by 1996. New division includes audio, TV and video business groups and regional sales organizations in Europe, N. America, Far East. It also will oversee OEM sales of CE products such as car radios and CD-I players.

47th ST. PHOTO PROBE: As federal grand jury continued tax fraud investigation into 47th St. Photo, N.Y.C. retailer signed pact with investor that could provide much-need cash infusion.

Grand jury issued subpoena to former 47th St. exec. Joseph Fischer seeking documents under federal tax code sections on tax evasion, filing false tax returns and destroying records, according to report in N.Y. Newsday. Spokesman for U.S. Attorney Mary Jo White wouldn't confirm investigation and declined further comment.

47th St. execs., however, said neither they nor owners Irving and Leah Goldstein had been contacted by federal prosecutors. Instead, retailer said it had reached agreement that would give Israel-based Tuttnaur Co. minority interest in chain. Amount of investment wasn't available, although Tuttnaur has provided $3 million merchandise agreement and would have 2 seats on 7-member board. Chain, which has been operating under Chapter 11 since 1992, will seek court approval for Tuttnaur investment at hearing Aug. 2.

New investment would allow chain "to do different things," including opening new stores, said Exec. Vp-Purchasing Stuart Held, who declined to disclose details. Retailer cut 18 jobs earlier this month, has dropped work force to 180 from 220 since Feb. and moved buying offices to Manhattan from Brooklyn.

Cuts have yielded $5.3 million in savings since Jan., and 47th St. projected $100 million in sales this year from 2 stores and catalog, slight improvement over $95 million year ago, but down from $300 million 5 years ago.

Grand jury probe and new financing are most recent developments for 47th St., which has been short of merchandise since filing for bankruptcy after dispute with lender Transamerica. IRS also has $40 million outstanding claim against 47th St. in bankruptcy court and N.Y. State has said it's owed $12 million in back sales taxes. Held said merchandise position will improve in fall and chain hopes to resolve claims and emerge from bankruptcy late this year.

U.S. CUSTOMS PROBES RECOTON: U.S. customs agents, armed with search warrants, launched probe of Recoton last week for possible customs regulations violations.

Agents searched Recoton's Lake Mary, Fla., hq. July 19, taking business information, computer records and 4-5 products including video cleaning supplies and remote controls, sources familiar with investigation said. Customs spokesman Michael Sheehan confirmed investigation, but declined further comment. Warrant targeted possible labeling violations including not identifying on invoice country from which product was shipped, sources said. "They just don't know where some of the product came from, which happens when you're shipping thousands of products," source said. "It's no big deal."

Recoton Vp Peter Ildau said company was cooperating, but declined further comment. Investigation comes year after Recoton moved hq to Lake Mary from Long Island City, N.Y. Recoton employs 625 people in Orlando area and will open new 200,000-sq.-ft. warehouse in 1995.

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Philips is erecting 200,000-sq.-ft. "multimedia village" as showcase for CD-I and other interactive technologies at site of 3-day Woodstock '94 musicfest Aug. 12-14 in upstate N.Y.

SILO CUTS PHOENIX PRICES Silo Div. of Fretter, in move to gain share in Phoenix, has launched ad blitz offering 10% off Best Buy (BB) and Circuit City (CC) advertised prices.

Price move came as Silo, which Fretter bought last fall in $45-million deal with Dixon's, plans to relocate and expand 10 stores in Phoenix area. Eleventh store will be added by 1995 and 6 of 10 existing 10,000-sq.-ft. outlets will be renovated or relocated, Fretter Senior Vp Daniel Hourigan said.

"We don't have a dominant position there, but we are doing something about that and in the interim the strategy we're adopting is price," Hourigan said. "We're going to beat them [BB and CC] on price no matter what, so we're prepared to go down to margins that you just wouldn't believe."

Strategy, which could "quite possibly" lead to single-digit margins in Phoenix, mirrors tactic Silo employed in Denver in 1992 that did "extremely well," Hourigan said. BB and CC officials didn't return phone calls seeking comment.

Silo's strategy "is going to make it more difficult for Best Buy and Circuit City," retail analyst said. "But Circuit City can hold out for a lot longer there than the other 2, and Best Buy is not as well equipped because they have some of their larger stores in Phoenix."

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Fretter will expand Your Electronics Store (YES!) concept across Upstate N.Y., adding 9 outlets starting in Dec., company said. New stores in Buffalo and Syracuse areas will increase YES to 12. First 3 YES locations opened in Rochester in July 1993. New 20,000-sq.-ft. stores will add new product lines and brands, although company declined to disclose details. Major appliances were added recently in Rochester stores and company said YES sales ratio would be 75% consumer electronics, 25% major appliances.

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U.S.-made consumer electronics sales totaled $3.974 billion at factory level in first half, up 11.7% from $3.558 billion in first half 1993, according to preliminary EIA figures, which show total U.S. electronics sales at $159.5 billion in period, up 10.1% from $144.9 billion year earlier. Other sectors: Components $41.7 billion, up 18.9%; telecommunications $24.2 billion, up 28.2%; defense communications $14.1 billion, down 9.1%; computers and peripherals $32.8 billion, up 18.1%; industrial $14.3 billion, up 8.1%; electromedical equipment $4 billion, up 1.3%; other products $24.4 billion, down 9%.

GoldStar has signed licensing agreement with Go-Video for dual-deck VCR technology. Deal calls for GoldStar to pay up-front fee and royalty. Shipments of 8mm/VHS deck began in late June with delivery of 2,000 (TVD July 11 p14). Deal headed off possible legal battle that has brewed since GoldStar introduced deck at Winter Consumer Electronics Show. GoldStar VCR, which will carry $799 street price, has 2-head 8mm playback-only deck and 4-head VHS record-playback with flying erase head. Go-Video's model, at $999, has same head configurations but adds hi-fi on VHS side, video switching, synchronized editing.

Ultra 64 system (formerly known as Project Reality) to be launched next year by Nintendo will use high-speed memory technology from Rambus allowing system to operate at 500 MHz. Technology is incorporated into proprietary DRAM architecture and processor-to-memory interface.

MAY AUDIO SALES UP 13.1%: Audio factory dollar sales climbed robust 13.1% in May, spurred by double-digit increases in all categories except systems, EIA Mktg. Services Dept. reported.

Overall May sales jumped to $583.77 million from $516.06 million in May 1993, EIA said. Aftermarket autosound was month's most successful category, rising 14.8%. Dollar shipments of portable audio weren't far behind, climbing 14.1%. Even components picked up slack, jumping 12.7%. Systems, only category that failed to attain double-digit increase, nevertheless turned in respectable May showing by climbing 9.6%.

For year's first 5 months, overall factory audio dollar shipments were up 9.6% to $2.74 billion from $2.5 billion in Jan.-May year earlier. Aftermarket car audio also was big winner for year to date, rising 21.5% on basis of gains earlier in 1994. Systems were next most successful category for 5 months, up 9.3%. Portable audio rose respectable 4.7%. In components, gain was modest 3.9% despite category's significant May advances.

Here's EIA breakdown of audio factory dollar shipments in May and for year's first 5 months:

FACTORY SALES OF AUDIO EQUIPMENT
(add 000)

Product	May 1994	May 1993	% Chg.
Portable audio*.....	$181,549	$159,144	+14.1
Components.....	124,303	110,342	+12.7
Systems.....	108,041	98,611	+ 9.6
Autosound (aftermarket)	169,873	147,965	+14.8
TOTAL.....	$583,766	$516,062	+13.1

Product	5 Mo. '94	5 Mo. '93	% Chg.
Portable audio*.....	$858,168	$819,928	+ 4.7
Components.....	587,169r	565,322	+ 3.9
Systems.....	529,863	484,690	+ 9.3
Autosound (aftermarket)	766,124	630,411	+21.5
TOTAL.....	$2,741,324	$2,500,350	+ 9.6

* Includes home radio. r - revised.

GEMSTAR DELAYS OFFERING: Gemstar has delayed public stock offering to Sept., citing slow financial market, sources said. Pasadena, Cal., company, which made its name with VCR Plus programmer, in May had proposed 6.7-million share offering through Lehman Bros. at $13-$15. But marketing wasn't completed as financial community moved into slower summer months. Company confirmed offering had been delayed, declined further comment.

In other news, Gemstar said introduction of VCRs equipped with Index Plus has been delayed to early 1995 from midyear because proposed delivery didn't coincide with manufacturers' product cycle. Hitachi, JVC, Matsushita, Thomson, Sanyo and Sharp are among vendors licensed for technology that captures extended data service (EDS) material carried by TV stations and cable and uses it to provide on-screen index of programs taped on cassette. Index Plus would add $50-$75 to VCR price.

Negotiations also are continuing with NBC for transmission of on-screen data and other information on EDS carrier compatible Index Plus VCR, Gemstar said. System has been tested with NBC as well as ABC and cable. Gemstar-NBC deal first was expected at NAB convention in March (TVD March 21 p17).

GIANT-TUBE SETS UP 43%: Although total color TV sales rose just 4% in 1994's first half (TVD July 18 p12), EIA said sales of sets with tubes 30" and larger were up 43% over same 1993 period. Bargains in 19" sets continued to depress 20", which dropped 15%, while 19" models were up 17%. Portable and table model sales rose 5%, according to EIA.

Larger projection TV sales grew twice as fast as smaller models, 50"-and-over rising 53%, while 49"-and-smaller sizes increased 27%, EIA said. Stereo and 4-head mono VCR sales were up about 11% each in half, while EIA's Video Tracking Survey showed that stereo models accounted for about 60% of VCR replacement sales.

Sales of both full-size and compact (8mm and VHS-C) camcorders rose 5% in half, Tracking Survey showing that some 70% of sales at retail are going to first-time buyers, with about 15% each being sold as replacement or additional camcorders.

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Sales to dealers hit traditional low point of year in first week of 2nd half, according to EIA figures (see State of the Industry). Direct-view TV, projection, VCRs, camcorders and laserdisc players all hit 1994 low points during week, while it was 2nd lowest week of year for TV/VCR combos and total TV. Even with doldrums, TV/VCR sales were double those of comparable week last year and projection TV sales were up 23.2%, while direct-view color (excluding combos) rose 8.2%. However, camcorders suffered 46.4% drop and VCR deck sales dipped 1.3%. Low sales were partly attributable to fact that week included July 4 holiday.

BEST BUY TO OPEN CAL. WAREHOUSE: Best Buy (BB), poised to make first entry into L.A. market, will open leased 311,000-sq.-ft. warehouse in Ontario, Cal., in Sept. to supply new stores, sources said.

Warehouse will supply first 6-8 BB stores in L.A. area in fall as company plans to open 33 outlets in 3rd quarter of its fiscal year ending in Feb., including those in L.A., Ohio, Washington, D.C., and Las Vegas, sources said. Ontario warehouse, capable of servicing 40 stores, at start will handle 24 locations in Albuquerque, Denver, El Paso, Ft. Collins, Colo., L.A., Las Vegas, Phoenix. It can accommodate $70 million in inventory. First goods will be received in Ontario in early Sept., with shipments to start in Oct.

Cal. facility is part of BB plans to expand or open other distribution centers. In Va., 700,000-sq.-ft. facility opens in Staunton in Aug.; Ardmore, Minn., warehouse has been expanded to 440,000 sq. ft., and 243,000-sq.-ft. software-only warehouse in Edina, Minn., began serving Best Buy stores around country earlier this month, spokeswoman said. It can stock $32 million.

Sources said BB will remodel, expand or relocate 25 stores in current fiscal year, adding 200,000 sq. ft. Expanded outlets will grow to 45,000 sq. ft. from 28,000-30,000 sq. ft., sources said.

Company is trying to spread out store openings from heavy concentration in 3rd quarter of fiscal year to more even pattern over first 9 months. Spokeswoman said company felt its resources were being spread too thin by opening so many stores at once as it continued heavy expansion pace.

DCC DIRECT MAIL TEST: Philips said it's turning to direct marketing route to test how DCC hardware sales fly when technology is exposed to finely honed lists of early-adopter consumers.

Mktg. Vp Frans Schmetz said Philips Consumer Electronics (PCE) is teaming with N.Y.-based Philips Key Modules Group in mailing DCC promotion pieces to male-dominated list of 50,000 consumers up to 45 years old. Flyer invites takers to phone toll-free number to order "today's most advanced digital cassette system." Brochure says DCC system "will run, walk, ride, drive, bike, climb and leave all other players in the dust."

Offered for sale are first-generation DCC900 home deck, DCC811 car player and DCC130 playback-only portable priced at $549, $749 and $349, respectively -- 30-40% off original list prices. Car player has been available on aftermarket since last fall, but is sold through Philips Car Stereo subsidiary in Mich., not PCE operations in Knoxville. As added incentive, buyers also are offered choice of $100 worth of software -- either 6 prerecorded DCC albums or 10 blank cassettes. Dissatisfied buyers can return their purchase within 30 days for full refund, flyer says.

Schmetz said direct-mail effort constitutes test to determine how well-targeted list of likely prospects will respond to sales pitch in manner not possible in stores, given that Philips DCC products are available through limited distribution.

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More Japanese production shifts: Nikkei report said Pioneer would move output of all low- and mid-priced AV products to overseas factories by March 1996. Move will affect minicomponent systems priced below $500 and standalone components such as CD players, amplifiers and speakers below $300. Production of laserdisc players will remain in Japan. Pioneer has contracts with Indonesian manufacturer for production of car audio equipment for sale in Europe, and will shift car audio output for Asia to subsidiary in Thailand, report said. Pioneer has acknowledged it's studying possibility of starting car audio production in China within year. It plans in fiscal year ending March 1995 to increase overseas production ratio to 50% of overseas sales from present 31%. For audio products, ratio is expected to climb as high as 70% from present 50% in fiscal year ending March 1996... **Foster Electric**, Japanese OEM speaker maker, plans within 3 years to raise overseas production ratio to 80% of consolidated sales from present 63.6%. Nikkei Sangyo said Foster had invested $17.1 million in new factory in Guangdong, China, to be operated by local manufacturer. Company plans soon to expand speaker output to 6.5 million monthly from present 2.2 million and monthly production of personal stereos to one million from present 600,000. As outgrowth of N. American Free Trade Agreement, Foster has shifted production base of its U.S. subsidiary to Mexico.

Franklin Electronic Publishing said it will open new hq, lab/warehouse in Burlington, N.J., early next year, replacing 57,000-sq.-ft. leased hq in Mt. Holly. Franklin will sell office in Ft. Lauderdale that housed international sales and subsidiary Proximity Technology and consolidate operations in N.J. In annual report, company listed Radio Shack (RS), Wal-Mart, K mart, Service Merchandise and Target as its top retailers. RS was Franklin's top customer, accounting for 11% of its $66.1 million sales in fiscal 1994, down from 17% in 1993. Chmn.-CEO Morton David was highest paid executive with $450,000 salary, $186,086 bonus.

GOOD GUYS TRIMS, REVAMPS STAFF: Good Guys (GG) has virtually eliminated cashier positions, restructured sales commissions and expanded store mgr. responsibilities, company confirmed.

Costs related to cashiers and some stock jobs have been cut to 0.5% of total sales from 2% as floor force assumes more responsibility for completing sale. GG spokesman Keith Foxe confirmed changes, but declined to disclose exact figures. Sales and administrative expenses dropped to 24.7% in 3rd quarter ended June 30 from 28% year ago.

Cuts came as GG also redesigned sales commissions. Under new structure, GG salesperson making first sale receives partial commission on follow-up purchases made at any store, GG spokesman said. Sources familiar with company said commissions were reduced 1% to 3.5%, although Foxe declined comment. Chain has put some managers in charge of 2 outlets, leaving asst. managers handling single stores.

Changes came as GG reported plans for entering Wash. and Ore. this year. While company declined to disclose locations, sources said Seattle and Portland were likely targets.

Company reported net income soared 129% in 3rd quarter to $1.9 million on 28% gain in sales to $164.4 million. Same-store sales increased 21%. For 9 months ended June 30, net income jumped 89% to $12 million from $6.3 million. Sales were up 31% to $545 million from $417 million on 20% rise in same-store sales.

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TDK signed with 3DO to develop, manufacture and distribute flash memory system to give 3DO players more storage capability, allowing them to stop and resume play at same point in game. Peripheral system, which is PCMCIA-compliant, would allow use of other functions, including modem and hard drive. 3DO Product Mgr. Liz Heron said reason 3DO and TDK publicized agreement last week as memory device is "that's what we've been told most people want." Primary among them, she said, are developers, who expressed frustration with existence of only 32K of nonvolatile memory in player itself. Heron said many details of system remain to be determined. One option being studied is to have up to 128 kb of nonvolatile RAM in reader, supplemented by cards ranging from 32 kb up. Other option would have no additional memory resident within reader. She said companies are targeting under $100 for peripheral, price of memory cards to depend on capacity. System, expected early next year, would connect to player via expansion slot.

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Consumer Electronics Personals

Yasushi Ebi, gen. mgr., Consumer Mktg. Div., appointed a dir. of JVC at meeting of shareholders and board that formally elected **Takeo Shuzui** pres. (TVD May 23 p15). Named JVC statutory auditors: **Shinichi Mitsuzaki**, former managing dir.; **Toshiniro Kikuchi**, former dir.; **Tetsuya Kawakami**. Retiring from JVC board: **Masahiro Inbe**, dir. and gen. mgr., Audiovisual Software & Media Business Group and Audiovisual Software Div.; **Takashi Harada** and **Masanobu Ikeda**, statutory auditors.

Jeremy Hodgekinson-Price, ex-Marketing Assoc., named asst. mktg. mgr.-TV/VCR, GoldStar Electronics... Harvey Electronics Pres.-COO **Art Shulman** adds CEO post formerly held by **Harvey Sampson**, who continues as chmn... **James Phillips**, ex-Telular, appointed Motorola vp-gen. mgr., PCS Worldwide Distribution & Mktg. Div... **Terry Apperly**, ex-Wharfedale, joins Home Theater Products International as head of newly acquired U.K.-based European Design Group.

Lawrence Probst, Electronic Arts pres.-CEO, also elected chmn., post relinquished by co-founder **William (Trip) Hawkins** when he opted not to seek reelection to board... **Mike Ramsay**, senior vp, Silicon Graphics' (SGI) Visual Systems Group, to become pres. of Silicon Studio, new SGI subsidiary... **Douglas Kay** switches within George Lucas's entertainment technology empire from senior mgr.-digital operations, Industrial Light & Magic, to chief technical officer, LucasArts Entertainment... **Gail Markels**, ex-MPAA, named senior vp-gen. counsel, Interactive Digital Software Assn... At Passport Designs: **Barry Rosenbaum**, consultant who has been on board, named pres.-CEO, succeeding founder **David Kusek**, who becomes chmn.-chief technical officer; **Paul Bader**, ex-Compton's NewMedia, named vp-sales.

Promotions at Acclaim Entertainment: **Steve Rein** and **Patrick Runyon** to art dirs., digital production... **J.H. Koo** named dir., SKC America's new technical support office at Mt. Olive, N.J. hq... **Stuart Snyder** adds responsibility for N. American marketing, sales and distribution, Turner Interactive products, in promotion from senior vp-mktg. and sales to exec. vp, Turner Home Entertainment's Domestic Home Video unit.

Hal Josephson departs as 3DO industry relations dir., plans unknown... **Ed Thomas**, ex-Waldensoftware, named dir.-product acquisition, GT Interactive Software affiliate of GoodTimes Entertainment... **Marc Stevens**, founder, Interactive Law Group and partner in Fenwick & West law firm, named to board of Stormfront Studios... **John Danforth**, ex-Morrison & Foerster law firm, named gen. counsel, Creative Labs... Former CompUSA Chmn.-CEO **Nathan Morton** becomes consultant to, and joins board of, Precision Devices after acquiring "substantial" equity stake in company... **Timothy Holmes**, ex-Thomson Consumer Electronics and Picker International, named vp-operations, Sports Sciences.

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U.K. consumer electronics sales recovered last year, according to figures from British Radio & Electronic Equipment Mfrs. Assn. (BREMA). TV deliveries to trade totaled 3.82 million, up 3.1% from 1992 (domestic sets up 13.3%, imports down 3.9%); VCR sales 2.5 million, up 10% (U.K.-made up 7.9%, imports up 11.2%). Sole trouble spot was camcorders, whose sales of 520,000 were down 17.1%, attributed to "both sharply decreased consumer demand and some destocking by retailers."

Former Crazy Eddie Purchasing Dir. Abraham Grinberg was sentenced to 3 years' probation July 20, capping investigation into one-time high-powered N.Y. retail chain. Grinberg, who pleaded guilty to perjury in 1993 in U.S. Dist. Court, Newark, agreed to cooperate with federal prosecutors, but didn't testify in trial of founder Eddie Antar last year. Grinberg was charged with lying during deposition when he testified that he was unaware that Crazy Eddie's Allen Antar had received cash payments from wholesaler. Grinberg later told prosecutors statement was false and said Allen Antar had shared $60,000 payment with him. He said in court last week that he was "humiliated and shamed." Eddie Antar, who eluded federal prosecutors for 2 years before his arrest in Israel in 1992, was sentenced in May to 12-1/2 years in prison (TVD May 2 p16) and ordered to pay $121 million in restitution.

Three battery manufacturers plan to build nickel-metal hydride cells in U.S., although site remains to be selected. Duracell, Toshiba and Varta, which formed alliance in 1992, hope to begin production by 1996, AP quoted Toshiba spokesman as saying. Plant will make batteries for all 3 companies, which will market products separately. Duracell spokesperson said announcement was "premature" because negotiations for site weren't complete. Alliance has been building nickel-metal hydride batteries in Japan since 1993 and Duracell introduced version for laptop PCs earlier this year. However, Duracell has delayed plans for camcorder model expected to ship in fall, instead will focus on PC and cellular phone applications, spokeswoman said.

Monster Cable has begun supplying 200 Home Depot stores in effort to reach custom installation market. Merchandise includes Monster Standard cable at 29¢-99¢ per ft.; one-meter interconnects, $7-$24 per one meter pair; in-wall video and speaker cable, 38¢ per ft.. Line was designed specifically for home centers and may be expanded to other retailers, Monster Mktg. Mgr. Leila Schlein said. "The focus is very different in Home Depot because it's hard to reach the small contractor through our normal channels of distribution," she said.

Another "infohighway" seminar: ITA announced Information Superhighway '95 Conference & Exhibition for Jan. 24-27 in Santa Clara, Cal. Trade assn. said session "will bring together leading cable companies, telcos, wireless communication systems, DBS companies, program providers and technology suppliers... to discuss their needs and goals... all under one roof" -- 800-77-IIIWAY, fax 310-391-7597.

Sony is closing circuit board plant in Atsuta, Japan, because of "lower demand in the camcorder market," according to official quoted in Financial Times. Meanwhile, Matsushita said it's advancing plans for 30% reduction in administrative staff, targeting some 6,000 cuts by year ending March 31, 1996, instead of following year.

New ViewCams introduced in Japan by Sharp have 8x zoom and LCDs featuring 50% less reflection than current models. Version with 3" LCD listing at $1,345 will be available Aug. 1, with 4" model at $1,545 scheduled for Sept. 1. Production will be 20,000 and 10,000 monthly, respectively.

Tandy, buoyed by new Radio Shack programs and expansion of Incredible Universe, reported net income in 2nd quarter increased to $34 million from $77 million loss year ago, and sales were up 21% to $1 billion from $843 million. For 6 months, net income increased to $76.2 million from $42 million loss year ago as sales rose 17% to $2 billion.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Ackerley Communications			
1994-6 mo. to June 30	102,800,000	3,900,000	.25
1993-6 mo. to June 30	99,600,000	2,200,000	.14
1994-qtr. to June 30	49,300,000	2,300,000	.15
1993-qtr. to June 30	51,400,000	4,400,000	.28
AT&T			
1994-6 mo. to June 30	34,289,000,000	2,224,000,000	1.63
1993-6 mo. to June 30	32,035,000,000	(5,827,000,000)	--
1994-qtr. to June 30	17,729,000,000	1,130,000,000	.83
1993-qtr. to June 30	16,316,700,000	1,005,000,000	.74
BHC Communications			
1994-6 mo. to June 30	215,800,000	38,359,000	1.53
1993-6 mo. to June 30	202,780,000	168,557,000	6.50[a]
1994-qtr. to June 30	119,832,000	24,691,000	.99
1993-qtr. to June 30	113,199,000	92,639,000	3.58[a]
Blockbuster Entertainment			
1994-6 mo. to June 30	1,372,790,000	135,594,000	.53
1993-6 mo. to June 30	925,856,000	92,652,000	.44[b]
1994-qtr. to June 30	676,260,000	63,001,000	.25
1993-qtr. to June 30	492,458,000	47,966,000	.22[b]
Chris-Craft Industries			
1994-6 mo. to June 30	227,905,000	28,298,000	.98
1993-6 mo. to June 30	216,562,000	111,975,000	3.98[a]
1994-qtr. to June 30	126,130,000	17,122,000	.59
1993-qtr. to June 30	120,277,000	62,474,000	2.22[a]
Comsat			
1994-6 mo. to June 30	408,400,000	41,800,000	.89
1993-6 mo. to June 30	380,500,000	45,500,000	.97[b]
1994-qtr. to June 30	207,900,000	21,600,000	.46
1993-qtr. to June 30	185,800,000	23,100,000	.49[b]
Electronic Arts			
1994-qtr. to June 30	74,243,000	11,766,000	.24
1993-qtr. to June 30	79,500,000	7,318,000	.15
Franklin Electronic Publishing			
1994-qtr. to June 30	15,125,000	1,629,000	.21
1993-qtr. to June 30	14,646,000	1,262,000	.16
General Electric			
1994-6 mo. to June 30	30,378,000,000	2,590,000,000	1.52
1993-6 mo. to June 30	27,617,000,000	1,632,000,000	.95[c]
1994-qtr. to June 30	16,196,000,000	1,522,000,000	.89
1993-qtr. to June 30	14,761,000,000	1,334,000,000	.78[c]
General Instrument			
1994-6 mo. to June 30	941,305,000	102,986,000	1.67
1993-6 mo. to June 30	615,004,000	23,679,000	.39
1994-qtr. to June 30	508,783,000	52,001,000	.84
1993-qtr. to June 30	311,761,000	12,269,000	.20
Good Guys			
1994-9 mo. to June 30	545,776,000	12,085,000	.92
1993-9 mo. to June 30	417,100,000	6,398,000	.50[b]
1994-qtr. to June 30	164,431,000	1,923,000	.15
1993-qtr. to June 30	128,224,000	841,000	.07[b]
Granite Broadcasting			
1994-6 mo. to June 30	29,760,000	526,000	--
1993-6 mo. to June 30	18,462,000	(1,972,000)	--
1994-qtr. to June 30	16,311,000	1,521,000	.13
1993-qtr. to June 30	9,860,000	(200,000)	--
GTE			
1994-6 mo. to June 30	9,701,000,000	1,099,000,000	1.14
1993-6 mo. to June 30	9,742,000,000	898,000,000	.94
1994-qtr. to June 30	4,955,000,000	595,000,000	.62
1993-qtr. to June 30	4,916,000,000	438,000,000	.46
Heritage Media			
1994-6 mo. to June 30	135,338,000	2,155,000	--[d]
1993-6 mo. to June 30	127,444,000	(2,859,000)	--
1994-qtr. to June 30	70,025,000	2,759,000	--[d]
1993-qtr. to June 30	67,924,000	(337,000)	--
Lee Enterprises			
1994-9 mo. to June 30	300,032,000	37,248,000	1.59
1993-9 mo. to June 30	278,299,000	29,853,000	1.27
1994-qtr. to June 30	103,022,000	14,367,000	.61
1993-qtr. to June 30	97,043,000	11,849,000	.51
Multimedia			
1994-6 mo. to June 30	305,650,000	36,777,000	.96
1993-6 mo. to June 30	296,583,000	47,797,000	1.25[b]
1994-qtr. to June 30	159,231,000	19,443,000	.51
1993-qtr. to June 30	157,062,000	18,267,000	.48[b]
Oak Industries			
1994-6 mo. to June 30	127,466,000	17,678,000	.97
1993-6 mo. to June 30	117,446,000	10,580,000	.59
1994-qtr. to June 30	65,681,000	10,286,000	.56
1993-qtr. to June 30	58,223,000	5,565,000	.31
Spelling Entertainment Group			
1994-6 mo. to June 30	164,645,000	15,561,000	.24
1993-6 mo. to June 30	122,096,000	3,310,000	.06
1994-qtr. to June 30	84,232,000	8,707,000	.13
1993-qtr. to June 30	71,278,000	7,886,000	.15
Texas Instruments			
1994-6 mo. to June 30	4,959,000,000	318,000,000	3.35
1993-6 mo. to June 30	3,988,000,000	192,000,000	2.04
1994-qtr. to June 30	2,510,000,000	184,000,000	1.93
1993-qtr. to June 30	2,105,000,000	112,000,000	1.18
Time Warner			
1994-6 mo. to June 30	3,225,000,000	(71,000,000)	--
1993-6 mo. to June 30	3,086,000,000	(95,000,000)	--[d]
1994-qtr. to June 30	1,667,000,000	(20,000,000)	--
1993-qtr. to June 30	1,567,000,000	(80,000,000)	--[d]
Tribune			
1994-26 wk. to June 26	1,056,571,000	125,101,000	1.72[a]
1993-26 wk. to June 27	951,991,000	91,936,000	1.25
1994-13 wk. to June 26	573,749,000	85,032,000	1.19[a]
1993-13 wk. to June 27	517,443,000	62,285,000	.87
TRW			
1994-6 mo. to June 30	4,476,400,000	150,700,000	2.30
1993-6 mo. to June 30	4,040,500,000	81,600,000	1.26[d]
1994-qtr. to June 30	2,317,000,000	86,600,000	1.33
1993-qtr. to June 30	2,011,700,000	55,200,000	.85
United Television			
1994-6 mo. to June 30	69,880,000	15,190,000	1.50
1993-6 mo. to June 30	62,625,000	27,535,000	2.70[a]
1994-qtr. to June 30	37,773,000	8,815,000	.87
1993-qtr. to June 30	34,527,000	14,368,000	1.42[a]
United Video Satellite			
1994-6 mo. to June 30	89,635,000	7,041,000	.39
1993-6 mo. to June 30	46,452,000	1,297,000	.08[e]
1994-qtr. to June 30	46,643,000	3,992,000	.22
1993-qtr. to June 30	24,413,000	423,000	.03[e]
Universal Electronics			
1994-6 mo. to June 30	43,494,000	(2,475,000)	--
1993-6 mo. to June 30	34,497,000	744,000	.14
1994-qtr. to June 30	23,112,000	(1,255,000)	--
1993-qtr. to June 30	18,850,000	521,000	.09
Video Display			
1994-qtr. to May 31	12,795,000	432,000	.10
1993-qtr. to May 31	14,667,000	314,000	.08
Zenith Electronics			
1994-6 mo. to July 2	596,100,000	(20,300,000)	--
1993-6 mo. to June 27	565,200,000	(46,500,000)	--
1994-qtr. to July 2	299,000,000	(8,400,000)	--
1993-qtr. to June 27	274,700,000	(24,700,000)	--

Notes: [a]Includes special credit. [b]Restated. [c]Adjusted. [d]After special charge. [e]Pro forma basis.

Average Japanese spends $78.45 per year on TV and video equipment, 66 times more than average Filipino, whose expenditure is $1.18 (partly attributed to "unreliable" electricity), according to analysis of Asian-Pacific markets by Datamonitor, British research firm. Other per capita spending on TV-video, by country: Hong Kong $78.16, Singapore $59.88, Taiwan $31.82, Australia $30.98, S. Korea $25.71, Malaysia $11.05, Thailand $2.86, Indonesia $2.85.

GoldStar is opening $40-million TV-microwave oven plant in Newcastle, England. To employ more than 400, factory is scheduled to produce 500,000 TVs and 650,000 microwaves annually. Smaller GoldStar U.K. plant in Jarrow will continue operation. It said it's 4th largest brand in U.K. microwave market.